

# SENATE BILL REPORT

## SB 5161

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As Reported by Senate Committee On:  
Commerce, Labor & Sports, January 25, 2017

**Title:** An act relating to theater licenses.

**Brief Description:** Modifying theater license provisions.

**Sponsors:** Senators Keiser, Wilson and Takko.

**Brief History:**

**Committee Activity:** Commerce, Labor & Sports: 1/19/17, 1/25/17 [DPS].

**Brief Summary of Substitute Bill**

- Eliminates two requirements for the issuance of a spirits, beer, and wine theater license.
- Eliminates the requirement that a theater be limited to a maximum of four movie screens for a beer, strong beer, and wine license.

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### SENATE COMMITTEE ON COMMERCE, LABOR & SPORTS

**Majority Report:** That Substitute Senate Bill No. 5161 be substituted therefor, and the substitute bill do pass.

Signed by Senators Baumgartner, Chair; Braun, Vice Chair; Keiser, Ranking Minority Member; King, Rossi, Saldaña and Wilson.

**Staff:** Richard Rodger (786-7461)

**Background:** Certain theaters are authorized to obtain a license allowing the theater to sell spirits, beer, and wine at retail for on-premise consumption. To be eligible for a spirits, beer, and wine theater license, the theater must:

- have no more than 120 seats per screen;
- prepare, cook and serve complete meals; and
- provide tabletop accommodations for in-theater dining.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Certain theaters are authorized to obtain a license allowing the theater to sell beer, strong beer, and wine at retail for on-premise consumption. To be eligible for this theater license, the theater may not have more than four movie screens.

If minors are allowed in the theater, the theater must submit an alcohol control plan to the Liquor and Cannabis Board for approval. Any person serving alcohol must have completed a mandatory alcohol server training program. The maximum fines and suspensions for violations involving minors or failure to follow an alcohol control plan are doubled for theaters.

**Summary of Bill (First Substitute):** The criteria for the issuance of a spirits, beer, and wine theater license are revised by eliminating two requirements: (1) that the theater have no more than 120 seats per screen; and (2) that the theater have tabletop accommodations for in-theater dining.

The theater license authorizing the sale of beer, strong beer, and wine is no longer limited to theaters with up to four screens.

**EFFECT OF CHANGES MADE BY COMMERCE, LABOR & SPORTS COMMITTEE (First Substitute):** The theater license authorizing the sale of beer, strong beer, and wine is no longer limited to theaters with up to four screens.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: This bill will help a lot of our local theater operators. Their industry has changed greatly of the years, with fewer teenagers and more adults in attendance. These modest changes to the statute will help the local theaters adjust to the new customer base. Theaters are often anchor tenants at the local shopping malls, but are struggling to stay in business. The Lakewood theater was one of the first to install better seats and sell adult beverages. The attendance has gone up by hundreds of thousands. The 120-seat limit and tabletop requirements takes seats away and limit our ability to grow. Galaxy Theaters in Gig Harbor have operated under this license for the past year and has never had a incident of over-service or youth consumption. We are adding an IMAX screen with 300 seats, but will have to tell our customers they can have beverages at one screen, but not at the IMAX.

OTHER: This bill was enacted in 2013 to support the small community theaters that were struggling. There are now nine community theaters operating under this license. The seating limits and tabletop requirements were sideboards that were included to address our concerns with youth access to alcohol. We don't want to be against the bill, but want to work with the sponsor and proponents to address our concerns about youth access.

**Persons Testifying:** PRO: Senator Karen Keiser, Prime Sponsor; TK Bentler, AMC Theaters; Frank Lewis, citizen; Elizabeth Lesiczka, citizen; AJ Witherspoon, Galaxy Theatres LLC., VP of Operations; Kristin Udem, Gateway Capital, LLC.

OTHER: James Paribello, WSLCB; Rick Garza, WSLCB.

**Persons Signed In To Testify But Not Testifying:** No one.